PAN AFRICA CHRISTIAN UNIVERSITY

BACHELOR OF BUSINESS LEADERSHIP

END TERM EXAMINATION – ONLINE

DEPARTMENT: BUSINESS

COURSE CODE: BUE 3313

COURSE TITLE: SMALL BUSINESS FINANCE

Time: 2 HOURS

Instructions

•***Read all questions carefully before attempting.***

•***Question ONE is COMPULSORY.***

•***Answer ANY THREE questions out of the remaining FIVE***

QUESTION ONE (COMPULSORY)

a) Describe any **two** ways in which Small and Medium Enterprises contribute to the national economy.

(2 marks)

b) State any **four** ways in which microfinance is helping to attain the Millennium Development Goals (MDGs) **(2 marks)**

c) Outline any **two** advantages of small business **(2 marks)**

d) The definition of microfinance often includes both financial intermediation and social intermediation. With examples, discuss any **two** forms of social intermediation.

(4 marks)

QUESTION TWO

a) Giving examples, explain any **two** reasons why low-income people who need financial services may lack accessibility from the conventional financial service providers such as commercial banks **(4 marks)**

b) Describe any **three** criteria that are used to identify a small business. **(6 marks)**

QUESTION THREE

a) If microfinance is about serving the poor, why does the provision of financial services need to be profitable? Discuss. **(4 marks)**

b) Discuss any **three** factors necessary for successful mobilization of small and micro savings. **(6 marks)**

QUESTION FOUR

a) State any **four** objectives of microfinance institutions. **(4 marks)**

b) Discuss any **three** current microfinance trends **(6 marks)**

QUESTION FIVE

a) Describe any **two** microfinance products **(4 marks)**

b) Explain any **three** main areas of risk in the microfinance industry **(6 marks)**

QUESTION SIX

a) Outline any **three** reasons why microfinance is growing **(3 marks)**

b) In relation to impact analysis, discuss the dilemma of the human subject as a ‘dynamic target’ **(3 marks)**

c) Using examples, discuss any **two** ways in which low-income people save **(4 marks)**